Lilly and Entos Pharmaceuticals Enter into Research and Collaboration Agreement to Support the Development of Innovative Therapies in Multiple Neurologic Indications

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Combination of Entos' Fusogenix nucleic acid delivery technology and Lilly's therapeutic cargo offers potential to overcome a key challenge in delivering nucleic acid therapies to the nervous system

INDIANAPOLIS and EDMONTON, AB, Jan. 6, 2022 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) has acquired exclusive rights to Entos Pharmaceuticals' Fusogenix nucleic acid delivery technology to research, develop and commercialize nucleic acid products targeting the central and peripheral nervous system, the companies announced today. This technology provides an opportunity for Lilly to access a novel delivery platform technology with the potential to solve a key delivery challenge for many nucleic acid therapeutic modalities.

Under the terms of the research and collaboration agreement, Lilly and Entos have agreed to multiple programs focused on the development of proteo-lipid vehicles (PLV) for delivery of therapeutic cargo supplied by Lilly to targets in the central and peripheral nervous systems. Entos will be responsible for the generation, development and optimization of PLVs using its proprietary Fusogenix platform technology. Lilly will be responsible for selecting PLVs for clinical development and commercialization. Entos will receive an initial payment of $50 million, which includes an equity investment by Lilly in Entos. For each of the programs under the collaboration, Entos is also eligible to receive up to $400 million in potential developmental and commercial milestone payments, as well as royalties upon the successful development and commercialization of products.

"Nucleic acid-based therapies hold great promise in addressing the biologic cause of many serious diseases that have significant unmet medical need," said Andrew Adams, vice president, Lilly Genetic Medicine. "Overcoming barriers to the safe and effective delivery of such therapies to specific target cells is essential to realizing their potential. We look forward to working with Entos as part of our efforts to overcome this challenge and develop potential new therapies that may improve patient outcomes."

"For more than 145 years, Lilly has demonstrated its ability to incorporate cutting-edge scientific advances into drug development strategies," said John Lewis, Ph.D., founder and CEO of Entos. "We are excited for the opportunity to play a part in Lilly's ongoing quest to develop high-quality medicines and believe our collaboration with Lilly is an important validation of the potential value of our expertise and technology platform."

This transaction will be reflected in Lilly's reported results and financial guidance according to Generally Accepted Accounting Principles (GAAP). There will be no change to Lilly's 2021 or 2022 non-GAAP earnings per share guidance as a result of this transaction.

About Entos Pharmaceuticals
A new reality in genetic medicine lies ahead, one that will be ushered in with the advent of safe, effective, and redosable nucleic acid delivery technologies. At Entos, we develop next generation genetic medicines using our proprietary Fusogenix proteolipid vehicle (PLV) drug delivery system. Fusogenix PLVs are formulated with FAST proteins to enable the delivery of mRNA or DNA into target cells through direct fusion. For more information, visit www.entospharma.com.

About Eli Lilly and Company
Lilly is a global healthcare leader that unites caring with discovery to create medicines that make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism. To learn more about Lilly, please visit us at www.lilly.com. C-LLY

Lilly Forward-Looking Statement
This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the benefits of a collaboration between Lilly and Entos Pharmaceuticals, Lilly's research and development strategy, and potential payments to Entos Pharmaceuticals in connection with the collaboration and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the process of drug research, development and commercialization. Among other things, there can be no guarantee that Lilly will realize the expected benefits of the collaboration, that the collaboration will yield commercially successful products or that Lilly will execute its strategy as expected. For a further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly's expectations, please see Lilly's most recent Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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